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RE: Homeowner Renewal Policy
 Policy No: NZF 266 35 81
 Effective: 06-30-05

MARIAH CAREY
 C/O GELFAND RENNERT & FELDMAN LLP
 360 HAMILTON AVE #100
 WHITE PLAINS NY 10601

Dear Policyholder,

You should have recently received our letter informing you of the changes to your Homeowners Policy. Attached is your new Prestige Home Premier Homeowners Policy.

Insuring your home with one of the Fireman's Fund Companies® brings security in knowing you have proper protection in the event of loss. Thank you for recognizing that not every insurer has the expertise to underwrite architecturally significant, high-value and custom homes - as Fireman's Fund® does.

Your neighbors may not be as fortunate to have the policy we now call Prestige® Home Premier. In addition to the new product name, you will notice that your policy format and language have changed significantly. These changes include coverage enhancements, as well as modifications that continue to make your Prestige® Home Premier policy among the top quality insurance products available for your home and personal property. We have listed the coverage differences below, but please review your policy closely to ensure that you understand all of the changes that have been made.

You'll find your Prestige® Home Premier Policy now:

- Adds Identity Fraud Expense coverage up to \$15,000.
- Includes Kidnap & Ransom Expense coverage up to \$10,000.
- Waives most deductibles if a loss is greater than \$50,000.
- Expands the Loss Assessment limit to \$50,000.
- Increases Business Property limit to \$10,000.
- Changes when and how the \$10,000 or 10% limit (whichever is greater) for Personal Property at another residence applies. We will now pay under only one Fireman's Fund policy.
- Adds \$5,000 coverage for golf carts designed for recreational use off public roads.

In your new policy, we also clarified the intent of your Prestige® Home Premier policy - so feel free to have your Fireman's Fund representative explain these modifications to you:

- Broadened definition of incidental farming.
- Eliminated the intentional loss exclusion for innocent co-insureds.
- Clarified that there is no coverage for:
 - liability resulting from discrimination, communicable disease, sexual harassment, and representations relating to property sales.
 - errors in computer programming, water damage from repeated seepage, damages resulting from neglect before, at or after a loss, and/or voluntarily parting with your property.

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- Redefined an "insured" -- e.g., children up to age 25 under parental care, domestic partner, estranged spouses, and students away at school.
- Added a 5% deductible for personal property losses from earth movement.
- Increased the deductible under our optional Earthquake Coverage Endorsement for condominium and cooperative unit-owner building items, and tenant improvements from 2% to 5%.
- Clarified intent of collapse coverage.
- Added limited coverage for fungi and mold related damages that ensue from a covered loss to \$25,000, which includes the cost of testing and remediation. This limitation does not apply to fungi damage resulting from a fire or lightning loss.
- Increased the mandatory minimum hurricane deductible in Suffolk and Nassau Counties from 2% to 5% for homes located within three miles of the mainland coast and from 0% to 2% for homes located more than three miles. This change only applies at the end of your required three-year policy period. Check your Declarations page for the hurricane deductible that applies to your renewal policy.
- Clarified your duties after a loss and how a loss will be settled.

Remember, few policies compare with the extensive coverage that your Prestige® Home Premier policy provides:

- **Full Cost Replacement Coverage for your home:** lets you rebuild to the same specifications or opt for a cash-settlement in the event of a total loss of your home.
- **Increased protection for your valuables,** which gives higher than usual protection for jewelry, silver and business property.
- **Replacement Cost Coverage (Personal Property):** pays the current replacement value on your personal property without a deduction for depreciation.

We appreciate the trust you've placed in us and look forward to meeting your future needs. If ever you have questions about your Prestige® Home Premier policy, please call your Fireman's Fund® insurance representative or write us by e-mail at products@ffic.com.

Your Agent or Broker:

DEWITT STERN OF CALIF. LLC
5990 SEPULVEDA #550
VAN NUYS CA 91411
(818) 933-2700

Your Insurance Company:

THE AMERICAN INSURANCE COMPANY
One of the Fireman's Fund Insurance Companies

Fireman's Fund Insurance Companies

Privacy and Security Statement

Protecting you and your family from loss is important to Fireman's Fund. Just as important to us is protecting your privacy and the personal information we use to provide you with superior products and service.

At Fireman's Fund, and its subsidiaries, our policy is to maintain appropriate confidentiality with regard to all personal information obtained in the course of doing business with you. Our pledge to protect your privacy is reflected in this Privacy Statement which outlines our principles in collecting, using and safeguarding your personal information and information about your relationship with us.

Personal Information Fireman's Fund Collects

Fireman's Fund only collects personal information about you when it is necessary to conduct the business of insurance. We limit the collection of personal information to what we reasonably believe is needed to administer your account. As a result, we collect personal information from the following sources:

- Personal information you share with us either directly or through your agent, such as the information on your insurance application, requested policy change information or other forms you may complete.
- Personal information you provide or which is obtained through the process of handling a claim, including medical information, such as from an accident report.
- Personal information about you from your transactions with us, our affiliates or others such as the number of years you have been a policyholder with Fireman's Fund or the types of coverage you purchase.
- Personal information about you from a consumer reporting agency, such as a credit report or a Motor Vehicle Report.

If you visit or use the Fireman's Fund website, or one of our subsidiaries, we may use "cookies" (small text files transferred from our website to your hard drive) to recognize repeat users, track usage and facilitate your access to and use of the site. We do not use "cookies" to gather personal information, and we do not link cookies to identifiable information, such as your policy number. The "cookies" only enable you to use our website more easily.

Personal Information Fireman's Fund Discloses

Fireman's Fund does not disclose any personal information about current or former customers to anyone, except as permitted by law.

When possible, we advise our vendors and other nonaffiliated third parties, to whom we legally provide your personal information in the course of conducting our insurance business, of our privacy policy. We make every effort to use vendors whose approach to customer privacy reflects our own.

Fireman's Fund's Policies and Practices with Respect to Security of Personal Information

Fireman's Fund uses a variety of computer hardware and software tools to maintain physical, electronic and procedural safeguards that comply with applicable federal and state regulations to guard your personal information. We restrict access to personal information about you to only those employees who need that information to provide products or services to you.

Fireman's Fund, and its subsidiaries, also work hard to ensure that our websites are secure. We employ firewalls, encryption technology, user authentication systems and access control mechanisms to control access to the personal information that may be shared over these sites.

Notification of Change

At Fireman's Fund, your trust is one of our most important assets. We will continually work to protect the privacy of our individual customers and will continually review our privacy policy. If at some point in the future we revise our privacy practices that affect your personal information, we will notify you prior to introducing any changes. This Privacy Statement is also displayed on our website. (www.ffc.com)

For More Information or if You have Questions

Should you have further questions regarding our privacy policy, you can contact us in a number of ways. You may call us directly at 1-800-272-9707, you can email us at Consumeraffairs@ffc.com or you can write to us at:

Fireman's Fund Insurance Company
Consumer Affairs Department
777 San Marin Drive
Novato, CA 94998-1000

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Personal Homeowner Policy Declarations Summary

Listed below is basic information about your policy.

THANK YOU FOR RENEWING YOUR POLICY WITH FIREMAN'S FUND STARTING AT 12:01 AM ON 06/30/05. SCHEDULED FINE ARTS HAS BEEN CHANGED ON YOUR POLICY. WE INCREASED YOUR COVERAGES TO PROTECT AGAINST INFLATION.

COINSURANCE DOES NOT APPLY

This Policy Has Been Issued by THE AMERICAN INSURANCE COMPANY
(One of the Fireman's Fund Insurance Companies)

Policy Number	Policy Period
NZF 266 35 81	06-30-05 to 06-30-06
Named Insured	Your Agent Is
MARIAH CAREY C/O GELFAND RENNERT & FELDMAN LLP 360 HAMILTON AVE #100 WHITE PLAINS NY 10601	DEWITT STERN OF CALIF. LLC 5990 SEPULVEDA #550 VAN NUYS CA 91411 (818) 933-2700

Homeowner Policy

Covering Contents at	Premium
REFER TO PAGE 2 OF THE DECLARATIONS FOR A DESCRIPTION OF THE COVERED PROPERTY	\$ 28,466.00
SCHEDULED VALUABLE POSSESSIONS	158.00
TOTAL PREMIUM	\$ 28,624.00
NY FIRE FEE	.00

TOTAL PREMIUM INCLUDES THESE CUSTOMER CREDITS AND SURCHARGES:

ALARM OR SPRINKLER SYSTEM \$ 7.157

**Your Bill Is Not Enclosed – Your Bill Will Be Mailed SEPARATELY
Approximately 20 Days Before Your Next Scheduled Due Date**

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Personal Homeowner Policy Declarations

Policy Number	Effective Date	Company
NZF 266 35 81	06-30-05	THE AMERICAN INSURANCE COMPANY

Named Insured

MARIAH CAREY
C/O GELFAND RENNERT & FELDMAN LLP
360 HAMILTON AVE #100
WHITE PLAINS NY 10601

Your Agent Is

DEWITT STERN OF CALIF. LLC
5990 SEPULVEDA #550
VAN NUYS CA 91411
(818) 933-2700

Policy Period

Your Policy begins on 06-30-05 at 12:01 AM Standard Time and expires on 06-30-06 at 12:01 AM Standard Time.

Your Covered Property

Covering Contents at
90 FRANKLIN ST #16 & 17 NEW YORK NY 10013

Deductible: In case of loss under Coverage For Damage To Your Property, this policy covers only that part of the loss over the deductible stated.
\$500 ALL PERILS

Policy Form

5250 11-02 Prestige Home Premier

Condo

Coverages**Limits of Liability**

Coverage For Damage To Your Property
Personal Property

5,292,000

Coverage For Liability And Medical Payments To Others
No Coverage Provided

Scheduled Valuable Possessions
FINE ARTS

\$

Limits of Liability
218,837

\$

Premium
158.00

Total Policy
Premium \$ 28,624.00

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Personal Homeowner Policy Declarations

Policy Number	Effective Date	Company
NZF 266 35 81	06-30-05	THE AMERICAN INSURANCE COMPANY

Named Insured

MARIAH CAREY
C/O GELFAND RENNERT & FELDMAN LLP
360 HAMILTON AVE #100
WHITE PLAINS NY 10601

Your Agent Is

DEWITT STERN OF CALIF. LLC
5990 SEPULVEDA #550
VAN NUYS CA 91411
(818) 933-2700

Forms and Endorsements Applicable to this Policy

Endt. No	Edition Date	Title	Premium
125259	11-02	Scheduled Valuable Possessions	158.00
5250	11-02	Prestige Home Premier - NY	Included
125825	04-02	No Cover For Liab/Med - Day Care	Included
125885	10-02	Policy Conditions Amendatory - NY	Included
5311	04-02	Policy Conditions	Included
125872	04-02	Premises Alarm Or Fire Protection	Included
125496	04-02	No Coverage-Liability and Med Pay	Included

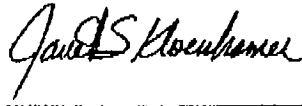
Signatures

One of the Fireman's Fund Insurance Companies,
as named in the policy

Date of Issue 05-03-05



President's Signature



Countersignature of
Authorized Agent or Broker

Secretary's Signature

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A Message for Our New York Customers . . .

Your Renewal Policy Premium - Use of Credit History

In connection with this insurance, we previously used a credit report or obtained or used a credit-based insurance score based on information contained in that report. We may obtain or use credit information again provided, however, that upon renewal such information may only be used to reduce premiums. An insurance score uses information from your credit report to help predict how often you are likely to file claims and how expensive those claims will be. Typical items from a credit report that could affect a score include, but are not limited to, the following: payment history, number of revolving accounts, number of new accounts, the presence of collection accounts, bankruptcies and foreclosures. The information used to develop the insurance score comes from ChoicePoint.

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Important Flood Insurance Notice

Your homeowners or dwelling policy does NOT provide coverage for loss caused by flood or mudslide, which is defined, in part, by the National Flood Insurance Program as:

A general and temporary condition of partial or complete inundation of normally dry land areas from overflow of inland or tidal waters or from the unusual and rapid accumulation or runoff of surface waters from any source.

If you are required by your mortgage lender to have flood insurance on your property, or if you feel that your property is susceptible to flood damage, insurance covering damage from flood is available on most buildings and contents in participating communities through the National Flood Insurance Program.

Information about flood insurance and whether your community participates in the program can be obtained from your insurance company, from your insurance agent/broker, or directly from the National Flood Insurance Program by calling 1-800-638-6620.

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A Message for Our Customers in New York . . .

Premium Credit for Windstorm Protective Devices

You may qualify for a Windstorm Protective Device Premium Credit if you have windstorm protective devices installed, such as storm shutters or Hurricane Resistant Laminated Glass.

Which devices qualify?

To qualify, your windstorm protective device must be:

- Demonstrated to reduce certain types of windstorm losses;
- Installed according to manufacturer's specifications; and
- Able to withstand external pressure and wind-borne debris from a storm with sustained wind speed of at least 110 mph or a storm surge of 8 feet above normal.

How long does this credit apply?

We will continue this credit as long as you:

- Keep your protective devices in working order;
- Close and secure protective devices when necessary;
- Tell us about any changes that could alter performance of protective devices; and
- Inform us of additions, alterations, or construction of new buildings on your property.

The amount of the credit depends on the protective device you have. If you think you qualify for this premium credit or would like to know more, please contact your Fireman's Fund insurance representative.

335858 7-00 NY

New York Policyholder Message

Special Notice For Senior Citizens

If you are age 65 or over, you may designate a third party to receive any notice of cancellation, non-renewal or conditional renewal of this insurance policy. To appoint a third party designee, Section 3111 of the New York Insurance Law requires that you notify us by certified mail, return receipt requested at the address

shown below. The notice must contain, in writing, acceptance by the third party designee. Your request will be effective no later than ten (10) business days from the date of receipt. The third party designee may terminate his or her status by providing written notice to you and us. Mailing Address: Fireman's Fund, P.O. Box 25252, Lehigh Valley, PA 18002-5252.

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Scheduled Valuable Possessions

Policy Number	Effective Date	Company
NZF 266 35 81	06-30-05	THE AMERICAN INSURANCE COMPANY

Named Insured**Your Agent Is**

MARIAH CAREY
C/O GELFAND RENNERT & FELDMAN LLP
360 HAMILTON AVE #100
WHITE PLAINS NY 10601

DEWITT STERN OF CALIF. LLC
5990 SEPULVEDA #550
VAN NUYS CA 91411
(818) 933-2700

Scheduled Valuable Possessions as of 06-30-05

FINE ARTS

	AMT INS.
1 PAIR OF CERAMIC TERRA COTTA STATUES.	\$ 6,261.00
2 FURNISHED ONE ANTIQUE THREE PANEL GOLD TOOLED PARCHMENT SCREEN POSSIBLY JANSEN OF PARIS CIRCA 1930'S	\$ 10,419.00
3 FURNISHED ONE PAIR OF SWEDISH GUSTAVIAN PERIOD 18TH CENTURY GILT WOOD AND UPHOLSTERED ARMCHAIRS COVERED NOW IN MUSHROOM VELVET	\$ 23,153.00
4 FURNISHED ONE LOUIS XVI ANTIQUE PAINTED DOGS BED FRAME IN ANTIQUE WHITE FINISH AND NOW COVERED IN BROWN VELVET AS IS FRANCE CIRCA 1880	\$ 5,789.00
5 FURNISHED ONE 19TH CENTURY IVORY BOX WITH CARVED DECORATIONS	\$ 1,448.00
6 FURNISHED ONE STERLING SILVER CADDY WITH ROUNDELLE LID ON BALL FEET CIRCA 1840	\$ 2,894.00
7 FURNISHED ONE PAIR ITALIAN ROCOCO GILT IRON AND CRYSTAL WALL SCONCES CIRC 1750	\$ 24,889.00
8 FURNISHED ONE ITALIAN NEO-CLASSICAL GILT WOOD CHAIR WITH OPEN ARMS ROMAN CIRCA 1785 AS IS (COVERED IN PURPLE ULTRASUEDE)	\$ 20,259.00
9 FURNISHED ONE PAIR OF TWO-TIER BLACK LACQUER CHINOISERIE DECORATED BRASS ETAGERE TABLES CIRCA 1840	\$ 10,998.00

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Scheduled Valuable Possessions as of 06-30-05

FINE ARTS

(CONTINUED)

		AMT	INS.
10	FURNISHED ONE MOTHER OF PEARL JEWELRY BOX WITH ORIGINAL INTERIOR FITTINGS CIRCA 1870 FRANCE	\$	2,605.00
11	FURNISHED ONE BLACK PORCELAIN VASE MOUNTED AS A LAMP WITH BRONZE FITTINGS	\$	5,557.00
12	FURNISHED ONE WOVEN PAPER LAMPSHADE FOR ABOVE LAMP	\$	491.00
13	FURNISHED ONE 19TH CENTURY REGENCE GILT WOOD FRAMED MIRROR	\$	19,101.00
14	FURNISHED ONE GILT BRONZE MIRRORRED CENTER TRAY FRANCE CIRCA 1840	\$	3,763.00
15	FURNISHED ONE 19TH CENTURY VENETIAN OVAL MIRROR WITH FLORAL BASKET AND SWAGS AT TOP CIRCA 1880	\$	8,682.00
16	FURNISHED ONE PAIR OF CHINESE PORCELAIN BUTTERFLY BOWLS LATE 18TH CENTURY OR EARLY 19TH	\$	2,894.00
17	FURNISHED ONE CUT CRYSTAL BALUSTRADE SHAPE LAMP WITH TUMBPRINT DESIGN CIRCA 1900	\$	4,400.00
18	FURNISHED ONE PAIR OF GILTWOOD SWEDISH TABORESTS COVERED NOW IN LAVENEDAR ULTRASUEDE CIRCA 1800	\$	14,470.00
19	FURNISHED ONE VENETIAN TABLE MIRROR CIRCA 1880 WITH EASEL	\$	2,894.00
20	FURNISHED ONE PAIR OF VENETIAN 18TH CENTURY MIRROR AND GLASS WALL SCONCES	\$	19,101.00
21	FURNISHED ONE TWO TIER BRONZE ANTIQUE FINISH LEGGED ETAGERE WITH IVORY CHINOISERIE DESIGN LACQUERED SHELVES MODERN	\$	5,904.00
22	FURNISHED ONE POLISHED STEEL WALL CLOCK WITH A BRASS RIM SIGNED A. MARTENS FRANCE CIRCA 1870	\$	3,184.00

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Scheduled Valuable Possessions

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Scheduled Valuable Possessions

Policy Number	Effective Date	Company
NZF 266 35 81	06-30-05	THE AMERICAN INSURANCE COMPANY

Named Insured**Your Agent Is**

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C/O GELFAND RENNERT & FELDMAN LLP
360 HAMILTON AVE #100
WHITE PLAINS NY 10601

DEWITT STERN OF CALIF. LLC
5990 SEPULVEDA #550
VAN NUYS CA 91411
(818) 933-2700

Scheduled Valuable Possessions as of 06-30-05

FINE ARTS

(CONTINUED)

		AMT INS.
23	FURNISHED ONE ANTIQUE FRENCH WINE TASTING TABLE CIRCA 1850	\$ 6,946.00
24	FURNISHED ONE ANTIQUE SIX-LIGHT CHANDALIER WITH CUT CRYSTAL FLOWERS, GRAPES AND BEADED DECORATIONS WITH BOW AT TOP GILDED METAL WIRED FOR ELECTRICITY VENETIAN LATE 19TH CENTURY	\$ 10,998.00
25	FURNISHED ONE HALLMARKED STERLING SILVER FRAME WITH MIRROR ENGLAND CIRCA 1870 ON EASEL (HEART SHAPED)	\$ 1,737.00
FINE ARTS TOTAL \$		218,837.00

Scheduled Valuable Possessions Endorsement- New York

For an additional premium, we cover the classes of valuable possessions indicated by a limit of liability in the Declarations for the articles specifically described in the Scheduled Valuable Possessions Itemized Listing.

This coverage is subject to the DEFINITIONS, SECTION I - CONDITIONS, SECTION I AND II - CONDITIONS and all provisions of this endorsement.

VALUABLE POSSESSIONS CLASSES

1. **Jewelry**, meaning articles of personal adornment composed all or in part of silver, gold, platinum or other precious metals or alloys, that may include pearls, jewels, or precious or semi-precious stones.
2. **Jewelry in Vault**, meaning articles of personal adornment as described in the class of Jewelry, which are kept in a bank vault.
3. **Furs and garments** trimmed with fur or consisting principally of fur.
4. **Cameras**, projection machines, films and related articles of equipment.
5. **Musical Instruments** and related articles of equipment.
6. **Silverware**, silver-plated ware, goldware, gold-plated ware and pewterware, but excludes pens, pencils, flasks, smoking implements or jewelry.
7. **Sports and Hobby Equipment**, meaning equipment and other property usual to the sport or hobby in the schedule. A \$25 deductible applies to each loss to this property.
8. **Fine Arts**, meaning paintings, etchings, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, manuscripts, porcelains, and rare glass) of rarity, historical value or artistic merit.
9. **Fine Arts - 10% Earthquake Deductible**, meaning paintings, etchings, etc. as described in the class of Fine Arts, subject to an earthquake deductible equal to 10% of the limit of liability as shown in the Declarations. This amount will be applied as defined in the Loss Settlement section of this policy.
10. **Fine Arts - No Earthquake Coverage**, meaning paintings, etchings, etc. as described in the class of Fine Arts, subject to the following additional Perils Insured Against Provision: We do not insure loss caused by the peril of earthquake.
11. **Postage Stamps** including due, envelope, official, revenue, match and medicine stamps, covers, locals, reprints, essays, proofs and other philatelic property, including their books, pages and mountings, owned by or in custody or control of the insured.
12. **Rare and Current Coins** including medals, paper money, bank notes, tokens of money and other numismatic property, including coin albums, containers, frames, cards and display cabinets in use with such collection, owned by or in custody or control of the insured.
13. **Guns and related articles of equipment**. We do not cover ammunition.
14. **Bicycles**.
15. **Collectibles**, meaning wine, sports cards, dolls, model trains and other private collections of rare, unique or novel items of personal interest including memorabilia.
16. **Other Property**, as described in the Schedule.

NEWLY ACQUIRED PROPERTY

We cover property newly acquired, consigned or entrusted to an insured during the policy period, if it is a class of property for which there is already property separately described and specifically insured on the Scheduled Valuable Possessions Itemized Listing. However, we will pay no more than 100% of the limit of liability for the class for which the property qualifies.

For coverage to apply you must:

1. Report this property to us within 90 days of possession or acquisition; and
2. Pay the additional premium from the date of possession or acquisition.

We reserve the right to refuse to insure this property after the 90th day.

This extension of coverage does not apply to property covered on a blanket basis.

PERILS INSURED AGAINST

We insure for direct and accidental loss or damage to covered property caused by an occurrence. Covered property may be subject to a deductible or an earthquake exclusion as shown in the Declarations.

EXCLUSIONS - LOSS NOT INSURED

We do not insure loss caused by any of the following:

1. Wear and tear, gradual deterioration, latent defect or inherent vice;
2. Insects or vermin;
3. War;
4. Nuclear hazard;
5. Intentional loss, meaning any loss arising out of an act committed:
 - a. By or at the direction of an Insured; and
 - b. With the intent to cause a loss;
6. If Postage Stamps or Rare and Current Coins collections are covered, the following exclusions also apply:
 - a. Fading, creasing, denting, scratching, tearing or thinning;
 - b. Transfer of colors, inherent defect, dampness, extremes of temperature, or depreciation;
 - c. Being handled or worked on;
 - d. The disappearance of individual stamps, coins or other articles unless the item is:
 - (1) Described and scheduled with a specific amount of insurance; or
 - (2) Mounted in a volume and the page it is attached to is also lost;
 - e. Shipping by mail other than registered mail; or
 - f. Theft from any unattended automobile unless being shipped as registered mail.
 - g. We do not insure loss, from any cause, to property:

(1) In the custody of transportation companies; or

(2) Not part of a stamp or coin collection.

7. If Fine Arts, Fine Arts - 10% Earthquake Deductible or Collectibles are covered, the following exclusions also apply:

- a. Repairing or restoration; or
- b. Any retouching process.

8. If Fine Arts - No Earthquake Coverage are covered, the following exclusions also apply:

- a. Earthquake; or
- b. Repairing or restoration; or
- c. Any retouching process.

9. If Jewelry in Vault is covered, we also do not insure loss to any items while they are away from the bank's premises, unless:

- a. you notify us and agree in advance to cover them; and
- b. you pay the additional premium for the time the items are away from the bank's premises.

10. If wine is covered under Collectibles, the following exclusions also apply:

- a. Failure to use reasonable care to maintain all heating, cooling or humidity control equipment in proper operating condition. However, we will pay for loss caused by:

(1) Mechanical or electrical breakdown of heating, cooling or humidity control equipment which is owned or used by you; or

(2) A power failure beyond your control which causes a change in temperature or humidity.

- b. Improper handling or storage;

- c. Consumption; or

- d. Normal shortage, leakage, spillage, evaporation, dissipation, spoilage or deterioration, all usual or customary to wine.

The following Exclusion is added:

11. Government Action, meaning the destruction, confiscation or seizure of covered property by order of any government or public authority. This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

GENERAL CONDITIONS

1. Conformity to State Law

When any policy provision is in conflict with the applicable law of the State in which this policy is issued, the law of the State shall apply.

2. Territorial Limits

We cover the property described while it is anywhere in the world.

3. Loss Clause

The limit of liability under this endorsement shall not be reduced except for a total loss of a scheduled article. We will refund the unearned premium applicable to such article after the loss or you may apply it to the premium due for the replacement of the scheduled article.

4. Inflation Protection

We shall increase the amount of insurance, at each policy anniversary, as indicated by the Consumer Price Index for Repair of Household Items and our own data. We shall also increase the amount of insurance at time of loss for any inflation since the last policy anniversary date.

5. Claim Against Others

In the event of loss which we believe may be collectible from others, we may pay in the form of a loan to be repaid out of any recoveries from others. You will cooperate in every way possible to assist in such recovery from others and we shall, at our expense, take over your rights against others to the extent of our payment.

The following changes apply to your Homeowners Policy Section I Conditions for property covered under this endorsement:

Under Your Duties After Loss, the following is added:

125259 11-02 NY

Ensure that any employee, resident of your household, or others will be available for examination under oath to the extent that you reasonably can.

Loss Settlement is deleted and replaced by the following:

Loss Settlement

We will settle covered losses as follows:

- a. Specifically scheduled property: For property that is separately described and specifically insured on the Scheduled Valuable Possessions Itemized Listing:

- (1) The most we will pay is:

- (a) The agreed value, which is the amount shown for the property on the listing; or
(b) The fair market value, or up to 150% of the agreed value, whichever is less, if the fair market value before the loss is greater than the agreed value.

- (2) Total losses: If property is totally destroyed or lost, we will pay the amount in a.(1) above that applies.

- (3) Partial losses: For partial losses we will pay up to the amount in a.(1) above that applies for the lowest of the following:

- (a) The cost to restore the property to its condition just before the loss;
(b) The difference between the fair market value before and after the loss. But if the agreed value at the time of the loss is greater than the fair market value, we will pay the difference between the agreed value and the fair market value after the loss; or
(c) The cost to replace the property without deduction for depreciation as follows:

- i. We will pay the cost to replace the property with a new article that is identical; or
ii. If an identical article is no longer manufactured or is not available, we will pay the cost to replace it with a new article that is similar and of comparable quality and usefulness.

- (4) In case of loss to a pair or set, we will pay the agreed value for the pair or set if you give us all the remaining parts of the set.
- (5) We reserve the right to declare any loss a total loss.
- b. Blanket coverage: For property covered on a blanket basis:
 - (1) The most we will pay is the amount of insurance shown on the Schedule Valuable Possessions listing as the blanket limit for the property subject to a limit of \$50,000 for any one item.
 - (2) We will pay up to the limit in b.(1) above, for the lowest of the following:
 - (a) The cost to restore the property to its condition just before the loss;
 - (b) The difference between the fair market value before and after the loss; or
 - (c) The cost to replace the property without deduction for depreciation as follows:
 - i. We will pay the cost to replace the property with a new article that is identical; or

- ii. If an identical article is no longer manufactured or is not available, we will pay the cost to replace it with a new article that is similar and of comparable quality and usefulness.

c. Earthquake Deductible

If an earthquake deductible is shown in the Declarations for Scheduled Valuable Possessions - Fine Arts, we will subtract the amount of this deductible from the combined amount we will pay under items a.(2), a.(3), a.(4) and b. above for each occurrence. One or more earthquake shocks within a seventy-two hour period will be considered a single occurrence.

Other Insurance is deleted and replaced by the following:

If at the time of loss or damage there is available any other insurance which would apply to the property in the absence of this policy, the insurance under this policy shall apply only as excess insurance over the other insurance.

Our Option is deleted in its entirety.

All other policy provisions apply.

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READ YOUR POLICY CAREFULLY

This policy is a legal contract between the policy owner and one of the Fireman's Fund Insurance Companies.

AGREEMENT

We agree to provide the insurance described in this policy. In return you agree to pay the premium and comply with the policy terms.

DEFINITIONS

- A. **You and your** mean the **Named Insured** shown on the Declarations including the legal Spouse who resides in the same household.
- B. **We, us, and our** mean the Company providing insurance.
- C. Other words and phrases are defined below. They are **bold-faced** when used in this policy form.
 1. **Bodily injury** means bodily harm, sickness or disease, including required care, loss of services and death that results.
 2. **Business** means an occupation, employment, trade, profession, or other activity performed in exchange for money or other compensation, including farming or ranching operations and property rental.
 3. **Collapse** means the actual, abrupt falling down of a building or part of a building. A **collapse** occurs only when a building or part of a building has actually and abruptly fallen down. **Collapse** does not

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include a threat of **collapse**, even if **collapse** is imminent. **Collapse** does not mean a condition of a building including cracking, bulging, sagging, bending, shifting, leaning, settling, shrinkage, or expansion, that could lead to or contribute to its actual, abrupt falling down.

4. **Earth Movement** means any natural or man-made **earth movement**, including but not limited to the sinking, rising, shifting, expanding or contracting of earth, all whether combined with water or not; **earthquake**; landslide; avalanche; subsidence; mine subsidence; settling; sinkholes; or, erosion.
5. **Earthquake** means a vibration-generating rupture event caused by displacement within the earth's crust through release of strain associated with tectonic processes and includes effects such as ground shaking, liquefaction, seismically-induced land sliding, and damaging amplification of ground motion. **Earthquake** does not mean or include tsunami or volcanic eruption.
6. **Fungi** means all types of fungus, such as mildew and mold, and all of their resulting spores and by-products, including mycotoxins and allergens. **Fungi** does not mean **fungi** for human ingestion.
7. **Golf Cart** means a motorized land conveyance owned by an **insured**, designed to carry up to 4 persons which does not exceed 25 miles per hour on level ground and whose primary purpose is to take or carry individuals from one place to another while playing the game of golf or for other leisure activities.
8. **Incidental business** means self-employment or other employment of any **insured** that:
 - a. produces a gross annual income of less than \$5,000 in cash or value;
 - b. is not farming or ranching; and
 - c. does not involve the employment of others.
9. **Incidental employment** means self-employment or other employment of any **insured** that:
 - a. yields a gross annual income of less than \$5,000 in cash or value.
 - b. is not farming or ranching; and
 - c. does not involve the employment of others.
10. **Incidental farming** means farming or ranching operations on the residence premises which:
 - a. are incidental to use of the premises as a residence;
 - b. produce a gross annual income of less than \$5,000 in cash or value; and
 - c. involve the employment of others for farm or ranch work for not more than 500 hours per year.
11. **Insured** means:
 - a. you and residents of your household who are:
 - (1) your relatives;
 - (2) your **domestic partner**; a **domestic partner** is defined as an individual who:
 - (a) is financially interdependent with you and with whom you are jointly responsible for each other's common welfare;
 - (b) intends to remain in a committed relationship;
 - (c) shares the same living quarters and permanent address;
 - (d) is not so closely related by blood that legal marriage would otherwise be prohibited;

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- (e) is at least age 18 and like you, not legally married to another person;
 - (f) has not been in a different domestic partner relationship within the last 12 months; and,
 - (g) is in the current domestic partner relationship which has been in effect for at least 12 months; or
- (3) any person under the age of 25 in the care of a person described above.
- b. If your spouse or domestic partner stops being a resident of your household during the policy period or prior to the inception of this policy, they will be considered an **Insured** under this policy until the earlier of:
- (1) the end of 90 days following their change of residency;
 - (2) the effective date of another policy listing him/her as a **Named Insured**; or
 - (3) the end of the policy period.
- c. Under **Liability And Medical Payments To Other Coverages**, **Insured** also means:
- (1) with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 11.a.(1), 11.a.(2), or 11.a.(3) above. A person or organization using or having custody of these animals or watercraft in the course of any **business** or without consent of the owner is not an **insured**;
 - (2) with respect to any vehicle to which this policy applies:
 - (i) persons while engaged in your employment or that of any person included in 11.a.(1), 11.a.(2), or 11.a.(3) above; or
 - (ii) other people using a vehicle or watercraft on an **insured location** with an **insured's** consent.
12. **Insured location** means:
- a. the **residence premises**;
 - b. other premises, structures, and grounds used by you as a residence;
 - c. a premises used by you in connection with a residence identified in 12.a. and 12.b. above;
 - d. vacant land, other than farm land, owned by or rented to an **insured**;
 - e. land owned by or rented to an **insured** on which a one, two, three, or four family dwelling is being built as a residence for an **insured**;
 - f. individual or family cemetery plots or burial vaults of an **insured**; or
 - g. any part of a premises occasionally rented to an **insured** for other than **business** use.
13. **Neglect** means an **insured's** failure to use reasonable means to save and preserve property before, at, and after an **occurrence**.
14. **Occupied** means a dwelling being lived in, or a dwelling or any other building or structure, being used for its intended purpose and which contains furnishings or other property customary to its intended use or occupancy.
15. **Occurrence** means:

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- a. Under Coverage For Damage To Your Property: accidental loss and damage to covered property which occurs during the policy period and is caused by one or more causes of loss we cover.
One or more earthquakes or volcanic eruptions that occur within a 72-hour period will be considered a single occurrence.
- b. Under Coverage For Liability And Medical Payments To Others:
 - (1) Accidental loss of or damage to, including continuous or repeated exposure to the same or similar harmful conditions, which results, during the policy period, in bodily injury or property damage; or
 - (2) An act or series of acts of the same or similar nature that occurs during the policy period and which results in personal injury.
- 16. **Personal injury** means physical or mental harm arising out of the following acts:
 - a. false arrest, detention, or imprisonment;
 - b. malicious prosecution;
 - c. wrongful entry or eviction;
 - d. defamation, libel, slander; or
 - e. invasion of privacy.
- 17. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, liquids, fuels or gases; including but not limited to materials to be recycled, reconditioned or reclaimed.
- 18. **Property damage** means physical injury to, destruction of, or loss of use of tangible property.
- 19. **Renovation** means all updating, demolition, construction, repair, or remodeling on the residence premises independent of and not arising out of an occurrence.
- 20. **Residence employee** means an employee of an Insured whose duties are related to the maintenance or use of an Insured location, including household or domestic services not related to a business of an Insured. However, residence employee does not include farm or ranch workers.
- 21. **Residence premises** means:
 - a. the Dwelling, Other Structures, and grounds; or
 - b. that part of any other building;
 where you reside and which is shown as the residence premises on the Declarations.
- 22. **Vacant** means empty of personal property necessary to sustain normal occupancy. When a residence premises is being newly constructed, it is not considered vacant.
- 23. **War** means:
 - a. Declared, undeclared or civil war;
 - b. Insurrection, rebellion or revolution;
 - c. Warlike act by a military or paramilitary force or personnel;
 - d. Destruction, confiscation or seizure for a military purpose;
 - e. Discharge of a nuclear weapon even if accidental; or

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- f. Any consequence of any of the above.

COVERAGE FOR DAMAGE TO YOUR PROPERTY**Limits of Insurance**

The limits of insurance for your Dwelling, Other Structures, and Personal Property are shown on the Declarations when coverage exists.

Dwelling

We cover the primary living structure on the **residence premises** and structures attached to it. We also cover building materials and supplies located on or next to the **residence premises** that are to be used to construct, alter or repair the Dwelling or Other Structures on the **residence premises** and that are intended to become a permanent part of these structures.

Other Structures

We cover other structures on the **residence premises** set apart from the dwelling by a clear space or connected to the dwelling by only a fence, utility line or similar connection.

Use of this coverage does not reduce the Dwelling limit of Insurance.

Personal Property

We cover:

1. Personal Property owned or used by an insured anywhere in the world. This includes building materials and supplies located away from the insured's **residence premises** for use to construct, alter or repair and that are intended to become a permanent part of the dwelling or other structures on the **residence premises**; and
2. At your request, Personal Property of others who are not tenants while that property is in a residence occupied by an insured.
3. **Unit-Owners Building Items** - When the **residence premises** is a condominium or cooperative unit and you are the owner, we also cover:
 - a. the interior surfaces of your unit including appliances and fixtures not covered or collectable under a policy issued to your corporation or association of property owners;
 - b. structures and items of real property owned solely by you, on the same location as the **residence premises**; and
 - c. property for which you must provide insurance under your cooperative or condominium owner's association agreement or by-laws.
4. **Tenants Improvements** - When you do not own the premises, we also cover the additions, alterations, fixtures, improvements or installations, made or acquired at your expense, to the **residence premises**.

Special Limits of Insurance

For each occurrence, we will pay up to the limit shown in each category identified below. These limits do not increase the Personal Property Limit of Insurance.

1. \$1,000 for motorized land vehicles other than **golf carts**, that are not subject to motor vehicle registration and are designed for recreational use off public roads.
2. \$5,000 for **golf carts** that are not subject to motor vehicle registration and are designed for recreational use off public roads.

SAMPLE

3. \$2,000 for money, scrip, stored value cards, smart cards, bank notes, bullion, gold other than goldware, silver other than silverware, and platinum other than platinumware.
4. \$3,000 for trailers.
5. \$5,000 for watercraft of all types, including their furnishings, electronic apparatus, equipment, and out-board motors.
6. \$5,000 to recreate personal records however stored.
7. \$5,000 for securities, tickets, and manuscripts.
8. \$5,000 for theft, misplacing or losing of jewelry, watches and precious or semi-precious gems.
9. \$5,000 for theft, misplacing or losing of furs.
10. \$5,000 for collectible stamps, coins, and medals.
11. \$10,000 for theft, misplacing or losing of silverware, goldware, and platinumware, whether flatware or hollowware, plated or not.
12. \$10,000 for Business Property on or off the residence premises including the cost to recreate business records or data, however stored.
13. \$10,000 for electronic apparatus, including its accessories, that can be operated by power from the electrical system of the vehicle and by other sources of power.
14. \$50,000 for jewelry, silverware, and securities while within a vault at a bank. This special limit is not applicable to property removed from the bank premises.
15. \$10,000 or 10% of the Personal Property limit, whichever is greater, for direct physical loss, caused by an occurrence, to Personal Property at an insured's residence that is not the residence premises. This special limit also applies to Personal Property of others.

This special limit does not apply to Personal Property:

- a. moved or being moved from the residence premises to a residence you newly acquire during the policy term; or
- b. at a location you occupy as your principal residence while the residence premises is being built or undergoing renovations; or
- c. temporarily moved or being moved from the residence premises due to an occurrence or renovation.

Regardless of the number of policies written by one of the Fireman's Fund Insurance companies, payment for loss to Personal Property will not be made under more than one policy. For occurrences at an insured's residence that is not the residence premises, we will make payment based on the single policy providing the highest limits of coverage for Personal Property.

Deductible - Coverage for Damage to Your Property

The deductible shown in the Declarations applies to an occurrence unless otherwise stated in this policy or by endorsements attached.

1. We will waive the all peril deductible shown in the declarations when an occurrence involving direct physical loss to covered property is greater than \$50,000. This provision does not apply to any other special or specifically listed deductible.
2. A \$100 deductible will apply to Additional Property Coverages clause 17 - Refrigerated Products.

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3. If more than one of the deductibles apply, we will apply the single highest deductible.

Additional Property Coverages

The following additional coverages are in addition to the limits of insurance unless otherwise stated.

1. Loss of Use of the Residence Premises

- a. If a loss covered by an occurrence under this policy makes that part of the residence premises where you reside not fit to live in, we will pay:

Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living while you live elsewhere.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

- b. If a loss covered under this section makes that part of the residence premises rented to others or held for rental by you not fit to live in, we will pay the:

Actual net loss of rental income for that part of the residence premises rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the residence premises rented or held for rental.

- c. If a civil authority prohibits you from use of the residence premises as a result of direct damage to neighboring premises by a Property Loss We Cover in this policy, we will pay the Additional Living Expense and actual net loss of rental income as provided under a. and b. above for no more than 30 days.
- d. We will only pay up to \$2,000 if you cannot occupy your residence premises due to earthquake, landslide, volcanic eruption, or if a civil authority prohibits use of the residence premises because any of these have occurred.
- e. The periods of time under a., b., c., and d. above are not limited by expiration of this policy.
- f. No deductible applies to this coverage.

2. Collapse

We cover direct physical loss to covered property that results from a collapse caused by:

- a. decay, insect or vermin damage hidden from view, unless such damage is known to an insured prior to collapse;
- b. weight of contents, equipment, rain, or snow that collects on a roof, or the weight of animals or people; or
- c. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is included under items a., b., and c. if the loss is a direct result of the collapse of a building or part of a building.

This coverage does not increase the applicable limit of insurance.

3. Credit Card, Electronic Fund Transfer Card or Electronic Access Device, Forgery and Counterfeit Money

- a. We will pay up to \$10,000 for:

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- (1) an **Insured's** legal obligation or loss that results from theft or unauthorized use of credit cards, electronic fund transfer cards or electronic access devices issued to or registered in an **Insured's** name;
 - (2) loss to an **insured** caused by forgery or alteration of a check or negotiable instrument of the **insured's**; or
 - (3) loss to an **insured** through acceptance in good faith of counterfeit U.S. or Canadian currency.
 - b. We do not cover loss or damage caused by the use of a credit card, electronic fund transfer card or electronic access device:
 - (1) by a resident of your household;
 - (2) by a person who has been entrusted with any of these cards or devices; or
 - (3) if an **insured** has not complied with all terms and conditions under which the cards are issued or the devices are accessed.
 - c. All loss resulting from a series of acts committed by one person or group or in which one person or group is concerned or implicated and which begins during the policy period is one occurrence.
 - d. We do not cover loss arising out of **business** use or any dishonesty by an **insured**.
 - e. No deductible applies to this coverage.
4. Identity Fraud
- a. We will pay up to \$15,000 for identity fraud expenses that are reasonably and necessarily incurred by an **insured** because of an unlawful act by other than an **insured** of knowingly transferring or using, without authority, an **insured's** means of identity.
 - b. Identity fraud expenses means:
 - (1) costs for notarizing affidavits or similar documents or sending certified mail to law enforcement agencies, financial institutions, credit agencies, or similar entities;
 - (2) re-application loan fees due to original application rejection because of incorrect credit information;
 - (3) telephone expenses for calls made to resolve the issue;
 - (4) earnings lost by an **insured** in order to resolve the issue; or
 - (5) reasonable attorney fees, with prior notice and approval by us, an **insured** must pay, in order to resolve the issue.
 - c. All loss resulting from a series of acts committed by one person or group or in which one person or group is concerned or implicated and which begins during the policy period is one occurrence.
 - d. We do not cover loss arising out of **business** use or any dishonesty of an **insured** or their authorized representative.
 - e. No deductible applies to this coverage.
5. Kidnap and Ransom
- a. We will pay up to \$10,000 for a **Kidnap and Ransom occurrence** meaning the actual or alleged wrongful taking of an **insured**; that includes a demand for ransom payment which would be paid by an **insured** in exchange for the release of that kidnapped person. Payment will include:

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- (1) Ransom - Direct Loss, meaning loss of property surrendered as a ransom payment resulting directly from the kidnap or alleged kidnap of an insured.
- (2) Kidnap and Ransom expenses, meaning:
 - (a) costs for notarizing affidavits or similar documents or sending certified mail to law enforcement agencies, financial institutions, or similar entities;
 - (b) telephone expenses for calls made to resolve the issue;
 - (c) earnings lost by an insured in order to resolve the issue;
 - (d) attorney fees, with prior notice and approval by us, an Insured must pay, in order to resolve the issue;
 - (e) interest costs for a loan from a financial institution made to an insured for the purpose of paying Ransom monies;
 - (f) costs of travel and accommodations incurred by an insured while attempting to negotiate a kidnapping; and
 - (g) fees and expenses of independent forensic analysts, private investigator, or negotiator engaged by the insured.
- b. All losses from a series of acts committed by one person or group or in which one person or group is concerned or implicated and which begins during the policy period is one **Kidnap and Ransom occurrence**.
- c. No deductible applies to this coverage.
- 6. **Fire Department Service Charge**
 - a. We will pay up to \$1,000 for costs you must pay if a fire department is called to protect the residence premises from an occurrence. This coverage also applies to false alarms.
 - b. No deductible applies to this coverage.
- 7. **Lock Replacement**

We will pay up to \$1,500 to re-key or replace locks at the residence premises if your keys are lost or stolen. Key includes a remote electronic gate or garage door opener. No deductible applies to this coverage.
- 8. **Land**

We will pay up to 10% of the limit of insurance for the Dwelling or Other Structure in order to replace, rebuild, stabilize or otherwise restore the land necessary to support the Dwelling or Other Structure at the residence premises after an occurrence.
- 9. **Debris Removal**

We will pay your reasonable costs to remove the debris of covered property resulting from an occurrence. Debris Removal costs we cover also include the process necessary to remove the debris. We will also pay:

 - a. Your reasonable cost to remove trees and their debris which damage covered property; and
 - b. Up to \$1,000 to remove the debris of trees, downed by a storm, that do not cause damage to covered property.

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This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

10. Trees, Shrubs, Lawns and Other Plants

- a. We cover trees, shrubs, plants, or lawns or grounds on the **residence premises** for loss caused by the following causes of loss: Fire or Lightning; Explosion; Riot or Civil Commotion; Aircraft; Vehicles not owned or operated by a resident of the **residence premises**; Vandalism or Malicious Mischief, or Theft.
- b. We will pay up to \$1,000 for each tree, shrub, plant, or lawns or grounds including debris removal, and up to 10% of the limit of insurance for Personal Property or \$10,000, whichever is greater, for loss in each **occurrence**.

11. Reasonable Repairs

In the event that covered property is damaged by an applicable cause of loss we cover, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable cause of loss we cover.

This coverage:

- a. does not increase the limits of liability that applies to the covered property;
- b. does not relieve you of your duties, in case of a loss to covered property, as set forth in the General Policy Conditions.

12. Removal of Property in Danger

- a. We will pay for covered property damaged in any way when removed from a premises in imminent danger from an **occurrence**.
- b. This coverage applies for 90 days from the date of removal.
- c. The limit of liability for Removal of Property in Danger does not increase the limit of liability.

13. Loss Assessment

- a. We will pay up to \$50,000 on an annual aggregate basis for loss assessment charged against you during the policy period when the assessment is made because of direct physical loss to collectively owned property by an **occurrence**.

We also cover assessments that result from a volcanic eruption when the loss results from:

- (1) a volcanic blast or airborne shock waves;
- (2) ash, dust, or particulate matter; or
- (3) lava flow.

- b. This coverage applies only to loss assessments charged against you as owner or tenant of the **residence premises** and only for direct physical loss.
- c. We do not cover assessments charged by a governmental body.
- d. We will only pay up to \$50,000 on an annual aggregate basis for an **occurrence** regardless of the number of assessments.

SAMPLE

- e. We will pay up to \$2,000 if the assessment results from a deductible or self-insured retention in your property owner's association coverage.
14. Full Cost Replacement Coverage
- a. We will only pay:
 - (1) the amount needed to replace a Dwelling after an **occurrence** even if the limit of insurance shown on the Declarations is less than the cost of repairs; or
 - (2) up to 125% of the applicable limit of insurance if, at the time of loss, the Dwelling is being newly constructed or the dwelling is **vacant** or has not been **occupied** for more than 30 consecutive days while undergoing **renovation**.
 - b. For this coverage to apply you agree to:
 - (1) Insure the Dwelling at 100% of its replacement cost as determined by us.
 - (2) Repair or rebuild the Dwelling with equivalent construction on the **residence premises**; or, for no greater cost, buy or build a Dwelling at another location. If you choose not to repair or replace, we will only pay you the cost to repair or rebuild the damaged Dwelling at the same premises prior to the loss, or the applicable limits of insurance shown on the Declarations, whichever is less.
 - (3) Notify us prior to the start of a **renovation** which will cause your dwelling to be:
 - (i) **vacant**; or
 - (ii) not **occupied** for more than 30 days.
 - (4) Promptly notify us of a **renovation** that increases the replacement cost of the Dwelling by \$25,000 or more. The cost of unreported **renovations** prior to an **occurrence** will not be included in the replacement cost calculation for this coverage.
 - c. When we increase the limit of insurance for your Dwelling, the percentage of increase will also apply to the limit of insurance for Other Structures and Personal Property.
 - d. This coverage includes increased costs you incur due to enforcement of an ordinance or law that regulates the construction, demolition, or repair of the Dwelling after an **occurrence**, unless described under Property Losses Not Covered.
 - e. This coverage does not include any consideration or payment for land values.
15. Burial Vaults - We will pay up to \$5,000 for an **occurrence** involving burial vaults or mausoleums located off the **residence premises**.
16. Arson Reward - We will pay up to \$5,000 for information leading to a conviction in connection with an arson loss to your covered property.
17. Refrigerated Products - We pay for perishable items in a refrigerator or freezer on the **residence premises** that spoil due to changes in temperature caused by power failures or interruptions on or off the **residence premises**, or by a mechanical breakdown of the refrigerator or freezer. This coverage does not increase the applicable limits of insurance.

PROPERTY LOSSES WE COVER

We will pay for direct physical loss to property described in Dwelling, Other Structures, or Personal Property resulting from an **occurrence**.

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We do not cover any of the following property unless otherwise stated or specifically covered by endorsement attached to this policy:

1. Personal Property that is not at the residence premises, except as provided in the Special Limits of Insurance clause 15.
2. Land except as described in the Additional Property Coverages clause 8 - Land.
3. Trees, Shrubs, Lawns and Other Plants or grounds except as described in the Additional Property Coverages clause 10.
4. Animals, including birds or fish.
5. Motorized land vehicles. This includes their equipment, accessories, parts, and electronic apparatus designed to be operated only by use of the power from the vehicle's electrical system. However, this applies only while the property is in or upon the vehicle.

We do cover Motorized Land Vehicles not subject to motor vehicle registration which are:

- a. used solely to service an insured's residence;
- b. designed to assist the handicapped; or
- c. designed for recreational use off public roads

as described in the Special Limits of Insurance clause 1. and clause 2.

6. Aircraft or Hovercraft and their parts used or designed to carry people or cargo in flight.
7. Any illegal property, substance, or contraband.
8. Business property except as provided by Special Limits of Insurance clause 12 - Business property.
9. Credit Cards, Electronic Fund Transfer Cards or Electronic Access Devices, Forgery and Counterfeit Money except as provided under Additional Property Coverages Clause 3.

B. Property Losses Not Covered

1. We will not pay for loss caused by or resulting from any of the following:
 - a. collapse of any property except as provided in Additional Property Coverages clause 2 - Collapse;
 - b. freezing, thawing, pressure or weight of water or ice whether driven by wind or not to a:
 - (1) fence, pavement, patio, septic system, swimming pool, hot tub, whirlpool, spa or similar structure;
 - (2) footing, foundation, wall, retaining wall or bulkhead; or
 - (3) pier, wharf, dock, or bridge;
 - c. freezing of a plumbing, heating or air conditioning system or automatic fire protective sprinkler system, or of a household appliance, or by discharge, leakage, or overflow from within the system or appliance caused by freezing. This applies only while:
 - (i) the dwelling is vacant or not occupied and has been so for more than 30 consecutive days; or

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(ii) being constructed

However, we will pay if you have used reasonable care to:

- (1) maintain heat in the building; or
 - (2) shut off the water supply and drain the system and appliances of water;
 - d. wear and tear, marring, scratching, deterioration;
 - e. inherent vice, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - f. mechanical breakdown or power failure except as described in Additional Property Coverages clause 17 - Refrigerated Products;
 - g. smog, rust or other corrosion, wet or dry rot;
 - h. smoke from agricultural smudging or industrial operations;
 - i. the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of pollutants including the costs to test for, monitor, clean up, remove, or in any way respond to or assess the effects of pollutants on the residence premises, unless caused by an occurrence.
- This does not apply to an actual discharge, dispersal, seepage, migration, release, or escape of pollutants if the occurrence is both sudden and accidental. Such an occurrence will be considered sudden if:
- (1) it is abrupt, instantaneous, and demonstrable as having first commenced at a specific time and day during the policy period; and
 - (2) substantially all of the damages are detected or were readily detectable within 7 days of actual discharge, dispersal, seepage, migration, release, or escape of pollutants;
 - j. settling, shrinking, bulging or expansion, including resultant cracking, or the activity or growth of roots from plants, trees, or shrubs to pavements, patios, foundations, walls, floors, roofs, or ceilings.
 - k. animals owned or kept by an insured, or by birds, vermin, rodents or insects. We do cover resulting loss to glass caused by such animals that is part of a building, storm door, or storm window.

For the causes of loss described above, except collapse, we do cover resulting loss or damage to covered property unless the resulting loss is itself caused by a cause of loss described in Property Losses Not Covered.

If any of the losses described above, except collapse, cause water or steam to escape from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water or steam. This includes the cost of tearing out and replacing any part of a Dwelling or Other Structure necessary to repair the system or appliance. We do not cover loss to the system or appliance from which water or steam escaped.

2. We do not cover loss or damage caused directly or indirectly by any of the following. Such loss or damage is not covered regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

a. Earth Movement

However, we do cover direct physical loss to:

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- (1) covered property ensuing from:
 - (a) fire, explosion, or theft;
 - (b) water damage from a ruptured sprinkler system within a structure;
- (2) Personal Property described under Coverage For Damage To Your Property while at your residence premises. This includes volcanic eruption when the loss is the result of:
 - (a) volcanic blast or airborne shock waves;
 - (b) ash, dust, or particulate matter; or
 - (c) lava flow;

However, we will only pay that part of the loss which exceeds 5% of the amount of insurance for Personal Property;

- (3) breakage of glass that is part of a building, storm door, or storm window.

b. Water Damage, meaning:

- (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; or
- (2) water or water-borne material below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.
- (3) continuous or repeated seepage or leakage of water or steam from any source over a period of weeks, months or years unless such loss is sudden and accidental. Sudden and accidental shall include a physical loss that is hidden or concealed for a period of time. A hidden or concealed loss must be reported to us no later than 30 days after the date appreciable loss or damage occurs and is detected or should have been detected.

We do cover:

- (i) any resulting loss unless that resulting loss is itself not covered in Property Losses Not Covered; and
- (ii) Direct loss by fire, explosion or theft that results from water damage;

c. Neglect.

d. War.

- e. Nuclear reaction, radiation, or radioactive contamination, however caused. We do cover direct loss by fire that results.
- f. Fraudulent, dishonest or criminal acts by or at the direction of an insured.
- g. Intentional Loss, meaning loss arising out of an act committed by or at the direction of an Insured with the intent to cause a loss. We will cover the insurable interest of an innocent coinsured who did not cause or in any way contribute to the intentional loss.
- h. Misappropriation, meaning the taking, damaging, or destroying of Personal Property by or at the direction of an Insured.
- i. Any property an insured has voluntarily sold, donated, or given away with the intention of parting with for more than 60 days. This does not apply to property being stored or temporarily on display.

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3. We do not cover loss caused by any of the following. However, any ensuing loss not excluded in this policy is covered.
- a. weather conditions that contribute in any way with a loss not covered in 2. above;
 - b. acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body;
 - c. faulty, inadequate or defective:
 - (1) planning, zoning, development, surveying, siting;
 - (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) materials used in repair, construction, renovation or remodeling; or
 - (4) maintenance
 of part or all of any property on or off the residence premises.
 - d. the cancellation of a lease or agreement;
 - e. destruction, confiscation or seizure of the Dwelling, Other Structures, or Personal Property by order of a government or public authority. However, we will pay for loss caused by action taken by the authority at the time of a fire to prevent its spread; or
 - f. dampness, dryness or changes in or extremes in temperature, whether atmospheric or not, including any condensation, unless damage is to Additional Property Coverage clause 17 - Refrigerated Products or the direct cause of loss is rain, snow, sleet, or hail.
4. We will not pay for loss or damage arising, in whole or in part, out of, resulting from, caused by, or in any way related to fungi. This includes the cost to test for, monitor, abate, mitigate, remove, dispose of, or remediate fungi.

However, if fungi is the result of an occurrence otherwise covered in this policy and is not located directly on the area damaged by the covered peril, we will pay up to \$25,000 for all property damage covered under the Dwelling, Other Structures, Personal Property, and Additional Property Coverages and related Loss of Use, caused by or resulting from the fungi. This includes the cost to test for, monitor, abate, mitigate, remove, dispose of, or remediate fungi.

This limitation does not apply when fungi:

- a. results from fire or lightning, or
- b. is located directly on the area damaged by the covered peril.

in which case coverage is up to the limit of the policy.

5. We will not pay for loss or damage arising, in whole or in part, out of, resulting from, caused by, or in any way related to error in computer programming or instructions to the computer, including detrimental code except as provided by Special Limits of Insurance clause 6 and clause 12. Detrimental code means any computer virus, program, routine, sub-routine, trojan horse, worm, script or other code string that destroys, alters, or corrupts, media, software, or data, regardless of how the detrimental code was introduced or acquired.

SAMPLE**COVERAGE FOR LIABILITY AND MEDICAL PAYMENTS TO OTHERS****Personal Liability**

If a claim is made or a suit is brought against an insured, anywhere in the world, for damages because of **bodily injury, personal injury, or property damage** caused by an **occurrence** we will:

1. Pay on behalf of the insured up to the limit of insurance shown on the Declarations for damages for which the insured is legally liable. Damages include prejudgment interest awarded against the insured; and,
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate.

Medical Payments to Others

1. For each person injured, we will pay up to the limit of insurance shown on the Declarations for necessary medical expenses that are incurred within three years from the date of **bodily injury** caused by an **occurrence**.
2. This coverage does not apply to you or residents of your household except **residence employees** while in the course of their employment by an insured.
3. This coverage applies:
 - a. to a person on an insured location with the permission of an insured; or
 - b. to a person off an insured location if the **bodily injury**:
 - (1) arises out of a condition on an insured location;
 - (2) is caused by the activities of an insured;
 - (3) is caused by a **residence employee** in the course of employment by an insured; or
 - (4) is caused by an animal owned by or in the care of an insured.

Additional Liability Coverages

In addition to the limit of insurance, we will pay:

1. Claim Expenses, meaning:
 - a. expenses we incur and costs taxed against an insured in a suit we defend;
 - b. premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of insurance. We need not apply for or furnish any bond;
 - c. reasonable expenses incurred by an insured at our request, including actual loss of earnings up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
 - d. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of insurance.
2. First Aid Expenses - We will pay expenses for first aid to others incurred by an insured for **bodily injury** caused by an **occurrence** under this policy. We will not pay for first aid to an insured.
3. Damage to Property of Others
 - a. We will pay, at replacement cost, up to \$1,000 per occurrence for **property damage** caused by an insured to property of others specifically not covered in this policy.

SAMPLE**4. Loss Assessment**

- a. We will pay up to \$50,000 for loss assessment charged against you during the policy period when the assessment is made as a result of **bodily injury, personal injury, or property damage** covered under this policy. This includes damages resulting from an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - (1) the director, officer, or trustee is elected by members of a corporation or association of property owners; and
 - (2) the director, officer, or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
- b. This coverage applies only to loss assessments charged against you as part of an assessment against multiple members of a property owner or tenant association managing a **residence premises**.
- c. We do not cover assessments charged by a governmental body.
- d. We will pay up to \$50,000 on an annual aggregate basis for any one **occurrence**, regardless of the number of assessments. An act involving more than one director, officer, or trustee is considered to be a single event.
- e. We will pay up to \$2,000 if the assessment results from a deductible or self-insured retention in your property owner's association coverage.

5. Credit Card, Electronic Fund Transfer Card or Electronic Access Device, Forgery and Counterfeit Money

We will pay up to \$10,000 per policy period for damages to others resulting from an **occurrence** arising out of an activity by or on behalf of an **insured**.

LOSSES NOT COVERED - LIABILITY AND MEDICAL PAYMENTS TO OTHERS

- A. **Personal Liability and Medical Payments to Others** Coverages do not apply to damages resulting from **bodily injury, personal injury, or property damage** arising out of:
 - 1. any criminal, willful, malicious or other act or omission that is reasonably expected or intended by any **insured** to cause damage. However, these acts are covered, where mandated by law, even if the damage is of a different kind or degree, or is sustained by a different person, than expected or intended. We do cover an innocent coinsured who did not contribute in any way either by commission or omission to such act. We do provide coverage if the act arose from the use of reasonable force to protect people or property;
 - 2. **personal injury** caused by the knowing violation of a penal law or ordinance caused by or at the direction of any **insured**;
 - 3. discrimination due to age, race, color, sex, religion, national origin, sexual preference, or physical handicap;
 - 4. sexual molestation, sexual harassment, corporal punishment, or physical or mental abuse by any **insured**;
 - 5. any communicable disease from any **insured**. This includes but is not limited to: the transmittal of, exposure to, perceived threat of, or fear of transmittal of or exposure to any communicable disease;
 - 6. the use, sale, manufacture, delivery, transfer, or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law. However, this does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician;
 - 7. **business activities** or **business property** of any **insured**. We do cover:

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- a. incidental farming;
- b. incidental business;
- c. incidental employment; and,
- d. the rental or holding for rental of an insured location:
 - (1) on an occasional basis if used only as a residence;
 - (2) if part of the insured location is used as a residence for only up to two roomers or boarders per single family unit; or
 - (3) in part, as an office, school, studio or private garage;
- 8. a premises owned by an insured, rented to an insured, or rented to others by an insured that is not an insured location;
- 9. the providing of home care service. But this does not apply when:
 - a. any insured provides the service for a relative of any insured;
 - b. a mutual exchange of services involves no compensation in cash or value in an amount in excess of \$5,000; or
 - c. the home care service is provided on an occasional or part-time basis by any insured under 23 years of age;
- 10. the rendering of or failure to render professional services by any insured;
- 11. civic activities performed by any insured, unless they are performed without compensation;
- 12. the ownership, maintenance, use, loading or unloading, entrustment to other people, or vicarious liability arising out of motorized land vehicles including hovercraft and their trailers. We do cover:
 - a. a trailer not towed by or carried on a motorized land vehicle;
 - b. a motorized land vehicle designed for recreational use off public roads, not subject to motor vehicle registration, and:
 - (1) not owned by an insured; or
 - (2) owned by an insured and on an insured location;
 - c. a golf cart; and
 - d. a motorized land vehicle not subject to motor vehicle registration which is owned, leased, or used by an insured:
 - (1) to service an insured's residence;
 - (2) designed to assist the handicapped; or
 - (3) in dead storage on an insured location;
- 13. the ownership, maintenance, use, loading or unloading of, entrustment to other people of, or vicarious liability arising out of watercraft other than:
 - a. sailing vessels less than 26 feet in length, with or without auxiliary power;
 - b. other watercraft powered by one or more engines or motors with 50 total horsepower or less;

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- c. watercraft less than 26 feet that are not owned by or rented for more than 30 consecutive days to an insured; and
 - d. watercraft that are stored;
 - 14. the ownership, maintenance, use, loading or unloading, entrustment to other people, or vicarious liability arising from aircraft used or designed to carry people or cargo in flight;
 - 15. war;
 - 16. any nuclear reaction, radiation, or radioactive contamination however caused.
- B. Personal Liability and Medical Payments to Others do not apply to **bodily injury** for which an insured provides or is legally obligated to provide coverage under any:
- 1. workers' compensation law;
 - 2. unemployment compensation;
 - 3. disability benefits;
 - 4. occupational disease law; or,
 - 5. other similar laws.
- C. Personal Liability Coverage does not apply to:
- 1. Liability to others assumed by an insured under a contract or agreement unless that contract or agreement:
 - a. directly relates to the ownership, maintenance or use of an insured location;
 - b. is entered into by the insured prior to an occurrence; and
 - c. is not covered elsewhere in this policy;
 - 2. Property damage to property owned by an insured;
 - 3. Property damage to property rented to, occupied or used by or in the care of an insured, unless the damage caused is by fire, water, smoke or explosion;
 - 4. Bodily injury or personal injury to any insured;
 - 5. Personal injury sustained by a person as a result of an offense directly or indirectly related to the employment of that person by an insured; or
 - 6. Personal injury arising out of civic or public activities performed for pay by an insured.
 - 7. Any written or oral statement made, or which should have been made, by you or others on your behalf which is material to the sale of any property.
- D. Medical Payments to Others Coverage does not apply to **bodily injury**:
- 1. to a residence employee if the bodily injury:
 - a. occurs off the insured location; and,
 - b. does not arise out of the duties of a residence employee as defined.

S A M P L E**No Coverage for Liability and Medical Payments to Others for Home Care Business****Limited Coverage for Damage to Your Property for Home Day Care Business**

If an **insured** regularly provides home day care services to a person or persons other than **insureds** and receives monetary or other compensation for such services, that enterprise is a **business** pursuit. Mutual exchange of home day care services, however, is not considered compensation. The rendering of home day care services by an **insured** to a relative of an **insured** is not considered a **business** pursuit.

Therefore, with respect to a home day care enterprise which is considered to be a **business** pursuit, this policy:

1. Does not provide Liability Coverages because **business** pursuits of an **insured** are not covered under A.7. of Coverage for Liability and Medical Payments to Others - Losses Not Covered;
2. Does not provide Coverage for Damage to Your Property - Other Structures coverage where other structures are used in whole or in part for **business**;
3. Limits coverage for property used on the **residence premises** for the home day care enterprise to \$10,000, because Personal Property Special Limits of Insurance item 12. Imposes that limit on **business** property on the **residence premises**.

THIS ENDORSEMENT DOES NOT CONSTITUTE A REDUCTION OF COVERAGE.

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SAMPLE**This Endorsement Changes The Policy. Please Read It Carefully.****Policy Conditions Amendatory Endorsement - New York****General Policy Conditions****B. Your Duties After An Occurrence**

The first paragraph and paragraph 1. are deleted and replaced by the following:

- B. Your Duties After An Occurrence** - In case of an **occurrence**, you or another **insured** or someone acting for the **insured** will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed. Any written notice given by any claimant to us or any of our agents in this state, containing particulars sufficient to identify the **insured**, will be deemed notice to us.

1. give written notice to us or any of our agents in this state as soon as is practical, which sets forth:
 - a. the identity of the policy and the named **insured** shown in the Declarations;
 - b. reasonably available information on the time, place and circumstances of the **occurrence**; and
 - c. names and addresses of any claimants and witnesses.

C. Concealment or Fraud is deleted and replaced by the following:

- C. Concealment or Fraud** - we do not provide coverage for the **insured** who, whether before or after a loss, has:

1. intentionally concealed or misrepresented any material fact or circumstance; or
2. engaged in fraudulent conduct;

relating to this insurance.

F. Cancellation is deleted and replaced by the following:**F. Cancellation**

1. You may cancel this policy in writing at any time by returning it or advising us or your agent of the cancellation date.
2. We may cancel the entire policy only for the reasons stated in this condition. The cancellation notice will be mailed to you at the address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel the entire policy at any time by mailing to you at least 15 days' notice of cancellation.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel the entire policy for any reason by letting you know at least 30 days before the date cancellation takes place.
 - c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel the entire policy only for one or more of the following reasons by notifying the **insured** at least 30 days prior to the proposed cancellation date:

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- (1) conviction of a crime arising out of acts increasing the hazard insured against;
- (2) discovery of fraud or material misrepresentation in obtaining the policy or in the presentation of a claim thereunder;
- (3) discovery of willful or reckless acts or omissions increasing the hazard insured against;
- (4) physical changes in the property insured occurring after issuance or last annual anniversary date of the policy which result in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last voluntarily renewed; or
- (5) a determination by the superintendent of Insurance that the continuation of the policy would violate or would place us in violation of the New York Insurance Law.

If one of the reasons listed in the Paragraph c. exists, we may cancel the entire policy.

- d. When the property covered by this policy is subject to the Anti-Arson Application in accordance with New York Insurance Department Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed Anti-Arson Application to us:

- (1) or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days written notice to you and to the mortgageholder shown in the Declarations.
- (2) before the annual renewal date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.
- e. If we have the right to cancel, we may, instead of canceling this policy, amend the limits of liability or reduce coverage not required by law. If we take this action, we will notify you by mail at least 20 days prior to the date of such change.

Delivery of such written notice by us to the insured at the mailing address shown in the Declarations or at a forwarding address will be equivalent to mailing.

- 3. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

However, when the premium is advanced under a premium finance agreement, we may retain a minimum earned premium on the policy of 10% of the total policy premium or \$60 whichever is greater.

- G. Nonrenewal is deleted and replaced by the following:

- G. Nonrenewal - We will not refuse to renew or condition our renewal of this policy except as allowed by the laws of the State of New York. The conditions may include, but are not limited to, amending the limits of liability or reducing coverage not required by law. If we take this action we will notify you by mail at least 45 days, but not more than 60 days prior to the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

Delivery of such written notice by us to the insured at the mailing address shown in the Declarations or at a forwarding address will be equivalent to mailing.

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Property Conditions

C. Appraisal is deleted and replaced by the following:

- C. Appraisal - If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose and pay for a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the residence premises is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss. If there is an appraisal we still retain the right to deny the claim in whole or in part.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

I. Mortgage Clause

Item 5. is deleted and replaced by the following:

5. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

The following condition is added:

M. Estimation of Claims

Upon request, we will furnish you, or your representative, with a written estimate of damages to real property, specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within 30 days after your request or its preparation, whichever is later.

All other provisions of this policy apply.

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1. notify us or your agent of a loss promptly. Provide details regarding time, place, and circumstances of the loss;
2. notify the police in case of loss by theft in a timely manner;
3. notify the credit card or electronic fund transfer company in case of loss under that coverage in a timely manner;
4. notify the appropriate law enforcement agency in case of loss involving Identity Fraud, or Kidnap and Ransom in a timely manner, if coverage is provided;
5. take all reasonable steps to protect property from further damage. If repairs to the property are required, you must:
 - a. make reasonable and necessary repairs to protect the property; and
 - b. keep an accurate record of repair expenses;
6. prepare an inventory of damaged Personal Property showing quantity, description, and amount of loss. Attach available bills, receipts and other documents that justify the amount of loss;
7. as often as we reasonably require:
 - a. show the damaged property to us;
 - b. provide us with records and documents we request and permit us to make copies;
 - c. submit to an examination under oath, while not in the presence of any other insured; and
 - d. ensure that any employee, resident of your household, or others will be available for examination under oath to the extent that you reasonably can;
8. within 60 days of our request, sign and submit a sworn proof of loss on the form we provide or a form which is acceptable to us, including but not limited to:
 - a. the time and cause of loss;
 - b. the interest of the insured and all others in the property involved and all liens on the property;
 - c. other insurance which may cover the loss; and
 - d. the inventory of damaged personal property described in B.6. above;
9. cooperate with us in our investigation and defense of a loss. Promptly send us all legal papers, including notices, demands, summons, or other processes relating to the loss;
10. at our request, cooperate and help us:
 - a. to make settlement;
 - b. to obtain records and other information;
 - c. to enforce any right of contribution or indemnity against any person or organization who may be liable to an insured;
 - d. with the conduct of suits and attend hearing and trials; and
 - e. to secure and give evidence and obtain the attendance of witnesses;

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11. notify us and obtain our permission before voluntarily making payment, assuming obligation, or incurring expense other than to render first aid to others at the time of bodily injury.
- C. Concealment or Fraud - The entire policy will be void with respect to all insureds and all causes of loss if, whether before or after a loss, any insured has:
1. intentionally concealed or misrepresented any material fact or circumstance;
 2. engaged in fraudulent conduct; or
 3. made false statements
- relating to this insurance or during the presentation of a claim.
- D. Liberalization Clause - If we make a change which broadens coverage under this edition of our policy and does not create an additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state.
- This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
1. a subsequent edition of this policy; or
 2. an amendatory endorsement.
- E. Waiver or Change to the Policy - A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.
- F. Cancellation
1. You may cancel this policy in writing at any time by returning it or advising us or your agent of the cancellation date.
 2. We may only cancel this policy for the reasons stated below by providing written notice of the cancellation date. Proof of mailing will be sufficient proof of notice. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown on the Declarations.
 - a. If you don't pay the premium, we may cancel by providing at least 10 days notice.
 - b. If this policy has been in effect for 60 days or less, we may cancel for any reason by providing at least 30 days notice.
 - c. If this policy has been in effect for more than 60 days, or is a renewal with us, we may cancel by providing at least 30 days notice if there has been:
 - (1) a material misrepresentation of fact which if known to us would have caused us not to issue the policy;
 - (2) a substantial change in the risk since the policy was issued;
 - (3) a conviction of a crime arising out of acts increasing the hazard insured against;
 - (4) a discovery of fraud or material misrepresentation in obtaining the policy or in the presentation of a claim thereunder;
 - (5) a discovery of willful or reckless acts or omissions increasing the hazard insured against;

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- (6) a physical change in the property insured occurring after issuance or last annual anniversary date of the policy which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last voluntarily renewed.
3. When this policy is canceled, any unearned premium will be refunded pro rata within a reasonable time after the cancellation date.
- G. **Non-Renewal** - We may choose not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown on the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.
- H. **Assignment** - Assignment of this policy or a claim will not be valid unless we give our written consent.
- I. **Subrogation**
1. Before a loss, an insured may waive, in writing, all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.
 2. If we require assignment, an insured will sign and deliver all related papers and cooperate with us.
 3. Subrogation does not apply to Medical Payments to Others or Damage to Property of Others.
 4. In the event of loss which we believe may be collectible from others, we may pay in the form of a loan to be repaid out of any recoveries from others. You will cooperate in every way possible to assist in such recovery from others and we shall, at our expense, take over your rights against others to the extent of your payment.
- J. **Death** - If you die, we insure your legal representative but only with respect to the residence premises and property covered under this policy at the time of death. We also insure a member of your household who is an insured at the time of your death, but only while a resident of the residence premises.
- K. **Conformance with State Law** - If part of this policy does not comply with the laws of the state in which it is written, that part is amended to comply with those laws.

PROPERTY CONDITIONS

- A. **Insurable Interest and Limit of Insurance** - We will pay up to the lesser of:
1. each insured's interest in covered property at the time of occurrence; or
 2. the applicable limit of insurance;
- B. **Loss Settlement** - This condition explains how we settle losses. None of its provisions increase the applicable limit of insurance. The terms **Replacement Cost**, **Fair Market Value** and **Actual Cash Value** as used in this section are defined as follows:
- Replacement Cost** means:
- (i) For partial losses, the cost to repair or restore damaged property to its condition just before a loss with property of comparable size, materials, quality and usefulness;
 - (ii) For total losses, the cost to replace damaged property with new property that is identical or if identical property is not available, the cost to replace the property with new property that is similar and of comparable quality and usefulness.

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Fair Market Value means the price at which the property or comparable property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

Actual Cash Value means the value of a new article that is identical or if no longer available, the value of a new article that is similar and of comparable quality and usefulness, less reasonable deductions for wear and tear, deterioration and obsolescence.

1. For Personal Property, we will pay the lesser of the following:
 - a. For property except as provided below, the cost to repair or replace the damaged property, whichever is less as defined in **replacement cost**;
 - b. For unusual or one of a kind items when a similar article is not available, the **fair market value** of the item prior to the loss or the cost to repair the item to its pre-loss condition, whichever is less; or
 - c. For articles that are obsolete or not usable for their original intended purpose due to age or condition, we will pay the **actual cash value** or the amount required to repair, whichever is less.

In no event will we pay more for loss or damage than the applicable limits of insurance for the damaged property.

2. For the Dwelling and Other Structures, we will pay the lesser of the following:
 - a. The cost to repair or replace the damaged property, whichever is less as defined in **replacement cost** or,
 - b. The amount you actually spend to replace the damaged structure at an other location, excluding land values; or,
 - c. the limit of insurance for the damaged Dwelling or Other Structure, plus any increase that may apply under Additional Property Coverages clause 14 - Full Cost Replacement Coverage.

If you choose not to repair or replace, we will only pay you the cost to repair or rebuild the damaged structure at the same premises prior to the loss, or the applicable limits of insurance shown on the Declarations, whichever is less.

3. For Unit-Owners Building Items and Tenants Improvements, we will pay the lesser of the following:
 - a. The cost to repair or replace the damaged property, whichever is less as defined in **replacement cost**; or,
 - b. The amount you actually spent to repair or replace the damaged covered property on the same premises with property of comparable size, materials, quality and usefulness and used for the same occupancy and purpose; or
 - c. If you chose not to repair or replace the property, the **actual cash value** of the damaged covered property.

If the **occurrence** involves both covered Personal Property and covered Unit-Owners Building Items or Tenants Improvements, in no event will we pay more for loss or damage than the limit of insurance for Personal Property.

This includes increased costs due to an ordinance or law that regulates the construction, repair or demolition of covered property after an **occurrence**, unless described under Property Losses Not Covered.

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4. If, at the time of an occurrence, the residence premises has been vacant for a period of 30 or more consecutive days and we were not advised of this fact, payment will be subject to the deductible amount shown on the Declarations, policy provisions, or the following, whichever is greatest:
 - a. for Dwellings, 5% of the limit of insurance for the Dwelling; or,
 - b. for condominiums and cooperative units, 5% of the limit of insurance for Personal Property.

This restriction does not apply to vacancy that results from a prior occurrence.
5. Loss to a Pair or Set - In case of loss to a pair or set, we may elect to:
 - a. repair or replace a part to restore the pair or set to its value before the loss;
 - b. pay the difference between the fair market value of the property before and after the loss; or,
 - c. receive the undamaged portion of the pair or set. We will then pay the replacement cost of the entire pair or set as outlined in clause B.1., a. b. and c. above.
- C. Appraisal - If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose and pay for a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and impartial umpire whose fee will be borne equally by the parties. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the residence premises is located. Each party will pay its own costs. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss. If there is an appraisal we still retain the right to deny the claim in whole or in part.
- D. Other Insurance - If an occurrence is also covered by other insurance, we will pay only the proportion of the loss that the applicable limit of insurance under this policy bears to the total amount of insurance covering the loss. However, if that other insurance is in the name of a corporation or association of property owners, we will provide coverage excess over the amount recoverable from that other insurance. This insurance will also be excess over any compensation you receive as a result of a service or maintenance agreement.
- E. Suit Against Us - No action can be brought unless the policy provisions have been fully complied with and the action is started within two years after the occurrence.
- F. Our Option - If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the property damaged with like property.
- G. Loss Payment - We will adjust and pay all covered losses with you except as provided below. We will pay you unless some other person is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:
 1. reach an agreement with you; or
 2. there is an entry of a final judgment.

We may adjust and pay losses for covered property with the owners of that property, if other than you. If we pay the owners, such payment will satisfy your claims against us for the owner's property. We will not pay the owners more than their financial interests in the covered property.

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H. Abandonment of Property - We need not accept property abandoned by an insured.

I. Mortgage Clause

1. The word mortgagee includes trustee.
2. If a mortgagee is named in this policy, losses will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order or precedence of the mortgages.
3. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, provided they:
 - a. notify us of a change in ownership, occupancy or substantial change in risk of which they are aware;
 - b. pay the premium due if you have not; and
 - c. submit a signed, sworn proof of loss within 60 days after receiving notice from us.
4. Policy conditions that relate to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.
5. If the policy is canceled or not renewed by us, the mortgagee will also be notified.
6. If we pay the mortgagee for a loss and deny payment to you:
 - a. we are subrogated to the rights of the mortgagee granted under the mortgage on the property; or
 - b. if we choose, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. If we do this, we will receive from the mortgagee a full assignment and transfer of the mortgage and all securities held as collateral to the debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of their claim.

- J. No Benefit to Bailee - We will not make payments under this policy for the benefit of a person or organization holding, storing, moving, or having custody of property for a fee.
- K. Inflation Protection Coverage - The limit of insurance that applies to the Dwelling, Other Structures, Personal Property, and Loss of Use where applicable, will be adjusted at each renewal to reflect increased costs of construction, labor, and materials due to inflation. In addition, we will also increase the limits at the time of occurrence for any inflation since the last effective date.
- L. Recovered Property - If property is recovered after we make payment for it, you may choose to keep the property or allow us to have it. If you choose to keep the property you must reimburse us as follows:
1. The full amount of the loss payment attributed to the returned property if you have not replaced it; or
 2. The Fair Market Value of the property at the time of recovery for property that:
 - a. has already been replaced by you; or
 - b. has suffered damage as a result of the loss.

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LIABILITY CONDITIONS

- A. Limit of Liability - We will pay up to the Personal Liability limit shown on the Declarations for any one occurrence, regardless of the number of insureds, claims made, or persons injured.
- B. Severability of Insurance - This insurance applies separately to each Insured. This condition does not increase our limit of insurance for any one occurrence.
- C. Suit Against Us
 - 1. No action can be brought against us unless there has been full compliance with the policy provisions and the insured's obligation has been determined by final judgment or by agreement signed by us.
 - 2. No one has the right to join us as a party to an action against an Insured.
- D. Bankruptcy of an insured - Bankruptcy or insolvency of an Insured will not relieve us of our obligations under this policy.
- E. Other Insurance - This insurance is excess over other valid and collectible insurance except insurance written specifically as excess coverage for coverages provided by this policy.
- F. Payment under Coverage for Liability and Medical Payments to Others is not an admission of liability by an insured or us.

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S A M P L E

Premises Alarm or Fire Protection System

For a premium credit, we acknowledge the installation of an alarm system or automatic sprinkler system approved by us on the **residence premises**. You agree to maintain this system in working order and to let us know promptly of any change made to the system or if it is removed.

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S A M P L E

This Endorsement Changes the Policy. Please Read It Carefully.

No Coverage for Liability and Medical Payments to Others

Named Insured:

Policy Number:

In consideration of a reduced premium, this policy provides no coverage for Liability and Medical Payments to Others.

All other policy provisions apply.

Acknowledged and accepted by the Insured named above by payment of premium.

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